

Message Text

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PAGE 01 EC BRU 05571 250005Z

64

ACTION EUR-25

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INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION OECD PARIS

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E.O. GDS

TAGS: ENRG EEC FR

SUBJECT: THE NINE AND THE ECG

REF: STATE 158015; EC BRUSSELS 5528; PARIS 17858

1. SUMMARY: FOLLOWING THE FAILURE OF THE EC COUNCIL TO AGREE ON A
COMMUNITY ENERGY POLICY AND THE RESULTING INABILITY OF THE EIGHT TO
DISCUSS THE ECG WITH FRANCE, SIMONET SAYS THE US SHOULD MAINTAIN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 EC BRU 05571 250005Z

ITS FLEXIBILITY REGARDING THE FORM OF ASSOCIATING THE WORK OF THE

ECG WITH THE OECD AND SHOULD STICK TO ITS TIMETABLE FOR ECG AGREEMENT ON IEP. HE IS WILLING TO PLAY A PART IN THE CONTINUING EFFORTS TO GET FRANCE TO PARTICIPATE IN THE IEP. HE AND OTHER SOURCES CONFIRM THE SERIOUS AND UNEXPECTED SET BACK FOR THE COMMUNITY ENERGY POLICY RESULTING FROM THE JULY 23 MEETING. END SUMMARY.

2. IN A MEETING WITH AMBASSADOR GREENWALD JULY 24, EC COMMISSION VICE PRESIDENT SIMONET SAID THAT HE REMAINS CONVINCED, AS A RESULT OF HIS DISCUSSIONS WITH SAUVAGNARQUES AT THE JULY 23 MEETING AND DURING THE PREVIOUS WEEK, THAT FRANCE IS LOOKING FOR A WAY TO WORK WITH ITS OTHER EC PARTNERS IN THE GROUP OF 12 (ALTHOUGH HE NOTED THERE ARE DIFFERING OPINIONS WITHIN THE FRENCH GOVERNMENT AND TOLD US GISGARD HAD NOT MADE A DECISION BY JULY 19). SIMONET SAID IT WOULD HAVE BEEN EASIER FOR FRANCE TO HAVE ASSOCIATED ITSELF WITH THE GROUP OF 12 IF AGREEMENT COULD HAVE BEEN REACHED IN THE COUNCIL MEETING ON THE COMMUNITY'S ENERGY POLICY. HE RECOMMENDED THAT, IN THE AFTERMATH OF THE COUNCIL FAILURE, THE US SHOULD MAINTAIN THE FLEXIBILITY WHICH IT HAS SHOWN REGARDING THE QUESTION OF CARRYING ON THE WORK OF THE ECG IN ESTABLISHED INSTITUTIONS. THE US SHOULD ALSO MAINTAIN ITS POSITION REGARDING TIMING AND SHOULD STRESS THE NECESSITY OF REACHING AGREEMENT IN PRINCIPLE ON THE IEP AT NEXT WEEKS'S MEETING AND GOVERNMENTAL AGREEMENT AT THE SEPTEMBER ECG MEETING.

3. SIMONET SAID HE WOULD CALL A MEETING OF THE COMMUNITY'S ENERGY COMMITTEE FOR THE SECOND HALF OF AUGUST AND WOULD ASK DAVIGNON TO APPEAR AND REPORT ON THE RESULTS OF NEXT WEEKS'S ECG MEETING. HE (SIMONET) WILL THEM GO TO CAPITALS IN EARLY SEPTEMBER TO DISCUSS HOW BEST TO PROCEED IN ORDER TO GET FRENCH COOPERATION. HE SAID HE IS TRYING, WITH DAVIGNON, TO MOVE THE FRENCH ALONG AS QUICKLY AS POSSIBLE AND US INSISTENCE ON GOVERNMENTAL AGREEMENT BY SEPTEMBER IS THE ONLY PRESSURE HE HAS ON THE OTHER EIGHT TO MOVE AHEAD AS QUICKLY AS POSSIBLE. HE ADDED THAT QUESTIONS HAVE BEEN RAISED, PARTICULARLY IN FRANCE, ABOUT THE US COMMITMENT TO SEEK THE NECESSARY LEGISLATION. THEREFORE, THE SOONER THE US CAN ANNOUNCE ITS FORMAL COMMITMENT, THE EASIER IT WILL BE TO DEAL WITH THIS ARGUMENT. WITH RESPECT TO THE TIMING OF THE SEPTEMBER CONFIDENTIAL

CONFIDENTIAL

PAGE 03 EC BRU 05571 250005Z

MEETING, SIMONET SUGGESTED IT BE HELD AFTER THE SEPTEMBER 16-17 EC COUNCIL MEETING. HE HOPED THAT EFFORTS TO BRING THE FRENCH ALONG WOULD BE SUCCESSFUL AND THAT THE ISSUES COULD BE TAKEN UP AT THE MINISTERIAL LEVEL AT THIS COUNCIL MEETING.

4. WE HAVE ALSO DISCUSSED THE RESULTS OF THE COUNCIL MEETING WITH A NUMBER OF OFFICIALS OF THE PERMANENT DELEGATIONS AND OTHER COMMISSION OFFICIALS, IN ADDITION TO SIMONET. ALL OUR SOURCES

ARE AGREED THAT THE REFUSAL BY THE UK ATO AGREE TO THE DRAFT RESOLUTION WHICH WOULD HAVE APPROVED THE BROAD OUTLINES OF A NEW ENERGY STRATEGY FOR THE COMMUNITY WAS SUDDEN AND UNEXPECTED, ALTHOUGH SEVERAL SOURCES WHO PARTICIPATED IN THE WORKING PARTY ESTABLISHED BY THE COUNCIL TO PREPARE THE FINAL DRAFT OF THE RESOLUTION TOLD US THAT SIGNS OF BRITISH DISSENT WERE APPEARING IN THE WORKING PARTY. PARTLY BECAUSE IT WAS SUDDEN AND UNEXPECTED, THE UK POSITION HAS HAD A SERIOUS EFFECT ON MORALE WITHIN THE COMMISSION AND MANY OF OUR SOURCES BELIEVE THAT IT WILL HAVE AN IMPACT ON A BROADER FIELD THAN ENERGY ALONE BECAUSE THEY SEE IT AS AN INDICATION THAT THE UK PLANS TO BLOCK COMMUNITY PROGRESS.

5. MOST OF OUR CONTACTS BELIEVE THAT THE PRIMARY REASON FOR THE BRITISH POSITION IS THE RELATIONSHIP BETWEEN BRITISH APPROVAL OF A COMMON ENERGY POLICY AND BRITISH VIEWS ON RENEGOTIATION. IT WOULD BE INCONSISTENT, SAY THESE OBSERVERS, IF THE LABOR GOVERNMENT WERE TO INSIST THAT IT IS SERIOUSLY REEXAMINING BRITAIN'S PARTICIPATION IN THE COMMUNITY AND AT THE SAME TIME AGREE TO EVEN THE BROAD OUTLINES OF A COMMON ENERGY STRATEGY. A GERMAN PERMANENT DELEGATION OFFICIAL MADE THIS POINT WHEN HE SAID THAT THE LABOR PARTY WOULD SEE THE ACCEPTANCE BY THE LABOR GOVERNMENT OF A COMMON ENERGY POLICY AS RENEGING ON THE COMMITMENT TO RENEGOTIATE. THIS WOULD BE PARTICULARLY TRUE IN ENERGY BECAUSE OF THE VIEW WIDELY HELD IN BRITAIN THAT THE PROPOSED ENERGY STRATEGY WOULD REQUIRE BRITAIN'S NORTH SEA OIL DEPOSITS TO BE MADE AVAILABLE ON AN EC BASIS. A CONTACT IN THE IRISH PERMANENT DELEGATION TOLD US THAT QUOTE TO MOST BRITISH PEOPLE, AN EC ENERGY POLICY MEANS SHARING THEIR NORTH SEA OIL. END QUOTE.

6. MANY OF OUR CONTACTS ALSO COMMENTED THAT THE POSITION TAKEN BY THE UK WOULD NOT HAVE BEEN DIFFERENT IF CALLAGHAN HAD
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 EC BRU 05571 250005Z

CHAired THE UK DELEGATION RATHER THAN SHORE. ALTHOUGH MOST AGREED CALLAGHAN MIGHT HAVE PRESENTED THE UK CASE DIFFERENTLY, AND MIGHT HAVE BEEN ABLE TO COMPROMISE ON SOME DETAILS, HE WOULD HAVE ENDED UP IN ESSENTIALLY THE SAME POSITION. SIMONET COMMENTED THAT GIVEN THE ABSENCE OF CALLAGHAN, SHORE WAS THE WORST POSSIBLE CHOICE.

7. OBVIOUSLY THE KEY QUESTION FOR THE WORK OF THE ECG IS THE EFFECT OF THE COUNCIL IMPASSE ON THE VIEWS OF TOW IMPORTANT EC MEMBER STATES -- THE UK AND FRANCE -- REGARDING FUTURE COOPERATION IN THE ECG. OUR SOURCES, INCLUDING THE UK PERMANENT DELEGATION, ASSURE US THAT SHORE EMPHASIZED THAT THE UK REMAINS COMMITTED TO ECG COOPERATION FOR ITSELF AND OTHER EC MEMBER STATES ALTHOUGH HE COULD NOT AGREE TO A COMMON EC POLICY. A SOURCE IN THE FRENCH PERMANENT DELEGATION REPORTED THAT

SAUVARNARGUES SAID AFTER THE MEETING THAT HE IS NOW MORE
DETERMINED THAN EVER NOT TO ASSOCIATE FRANCE WITH THE ONWARD
WORK OF THE ECG--WHEREEVER THAT WORK IS DONE-- UNLESS AND
UNTIL THE COMMUNITY CAN PARTICIPATE ON THE BASIS OF AN EC
COMMON ENERGY POLICY. THE PROBLEM NOWFACING THE COMMUNITY IS
HOW TO SQUARE THIS CIRCLE.GREENWALD

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